

YOUR RETIREMENT SYSTEM

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QUESTIONS AND ANSWERS CONCERNING THE FEDERAL CIVIL SERVICE RETIREMENT LAW

Pamphlet 18

November 1946

**UNITED STATES CIVIL SERVICE COMMISSION
WASHINGTON, D. C.**

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Foreword

A feeling of security and the knowledge that a regular income will be theirs at the end of their active careers cannot but help promote the efficiency and morale of employees. Recognizing this fact, the Federal Government in 1920, through enactment of the Civil Service retirement law, provided a plan whereby it joined with its own employees in assuring their freedom from want in later years.

As a Federal employee, you share in this plan through the 5 percent deduction made from your salary. Also, you have the privilege of making voluntary contributions to purchase additional annuity. The Federal Government makes its contribution by periodical appropriations.

You must retire at the age of 70 if you have 15 years of Government service to your credit unless, because of special qualifications, your continuance in service or reappointment is authorized by the employing office. Optional retirement is permitted at earlier ages after specified periods of service.

If you serve as much as 5 years and leave the service for any reason, you have the right to receive future annuity payments. Immediate annuity payments are guaranteed if, after serving 5 years, you become incapable of carrying on your work because of illness or injury, regardless of your age at the time.

Refund of retirement deductions, with interest, is provided for in case you leave the service before completing 5 years. If death occurs prior to retirement, your beneficiary or estate receives the amount due.

In presenting the following questions and answers, an effort has been made to give you, in simple terms, those facts and explanations concerning your retirement law which are important and of general interest.

You will find it to your advantage to be familiar with your annuity and refund rights and to see that your family is also informed for its protection.

I. Coverage

1. Who are covered by the Civil Service Retirement Act?

All appointive and elective officers and employees in or under the executive, judicial, and legislative branches of the United States Government, who are not subject to another retirement system for such personnel except elective officers in the executive branch of the Government, and employees excluded by Executive order. It also covers all officers and employees of the municipal Government of the District of Columbia not subject to another retirement system.

2. What classes of officers and employees are excluded by Executive order?

Persons given temporary appointments for 1 year or less, certain employees paid on a when-actually-employed basis without regular tour of duty, contract- and fee-basis employees, etc., were excluded by Executive Order 9154, dated May 1, 1942. Employees serving under temporary appointments pending establishment of a probational register were excluded by Executive Order 9691, dated February 4, 1946. The complete list of exclusions under Executive Order 9154 will be found on page 28.

3. How did the order of May 1, 1942, affect temporary or intermittent employees appointed prior to such date?

The order preserved their retirement rights. Consequently, an officer or employee who was covered by the retirement law prior to May 1, 1942, continues under the system, unless or until he becomes absolutely separated from the Government service, or is transferred to a position under another Federal retirement system. Upon such separation or transfer, his retirement rights will be determined under the same conditions as for other employees.

4. Is it possible for an employee to have a retirement status while occupying a position excluded by Executive order?

Generally not. However, an employee with a retirement status who is transferred or appointed without break in continuity of service to a position otherwise excluded continues under the system; also, an employee otherwise excluded will be subject to the retirement law if he is reinstated by authority of the Civil Service Commission based on a prior classified civil service status which he held at some time in the past.

5. Does the law cover persons given indefinite or duration war-service appointments?

Yes.

6. Does the acquisition of a retirement status place an employee in the regular classified civil service?

No.

7. Is retirement coverage optional with the employee?

Coverage is automatic upon appointment, except in the case of certain officers and employees in the legislative branch of the Government who have the option of securing a retirement status.

8. Is retirement status retained in the case of an employee who goes without break in service from the executive to the legislative branch of the Government?

No. Such employee must make an affirmative election to come under the Retirement Act, the same as a person originally appointed to a position in the legislative service.

9. Are employees of Government-owned corporations covered?

Yes.

10. Do persons in the military or naval service of the United States have a status under this law?

Not by reason of the military or naval service. However, a Government employee entering the armed service who is carried on the rolls of the employing department or agency on furlough or leave without pay retains his retirement rights by virtue of his continuing status as a civilian employee.

II. Employee Contributions

11. How much does each covered employee contribute to the retirement fund?

Five percent of his basic salary.

12. Are deductions withheld on overtime pay?

No. Bonuses, overtime pay, or other additional allowances are excluded from consideration.

13. Was this contribution rate always the same?

The rate of deduction was $2\frac{1}{2}$ percent from August 1, 1920, to June 30, 1926, $3\frac{1}{2}$ percent during the period July 1, 1926, to June 30, 1942, and has been 5 percent from July 1, 1942.

14. What is the significance of the date August 1, 1920?

This was the date on which the original Retirement Act of May 22, 1920, became effective for deduction purposes.

15. May an employee who secured a retirement status after August 1, 1920, receive credit for his prior service?

Yes. Credit is allowable for all service rendered as an employee of the Federal Government or of the District of Columbia Government, as well as for honorable military or naval service not forming the basis for benefits under some other law.

16. What is the basis for crediting military or naval service where the individual is receiving another benefit?

If he is in receipt of compensation under the Veterans Administration by reason of a service-connected disability, this benefit is based upon the disease or injury and not upon length of service and the total military or naval service may be credited for civil retirement purposes. In case a pension on account of service or by reason of nonservice-connected disability has been awarded, he may receive retirement credit for all military or naval service except the minimum period (generally 90 days) required for title to the pension. Should the employee be receiving retired pay, none of his military or naval service is available for civil retirement credit.

17. Is military or naval service performed after final separation from civilian employment creditable?

No.

18. Is deposit in the retirement fund required to obtain full credit for service during which the employee was not subject to the Retirement Act?

The law allows service claimed from and after August 1, 1920, to be credited for computation purposes with or without deposit, but stipulates that if the deposit is not made the employee's annuity shall be reduced by the amount such deposit would purchase.

19. Must the service involved be consecutive or may broken periods be considered?

All service for the United States or District of Columbia Government is subject to credit regardless of breaks in employment.

20. May deposit be made covering military or naval service?

Yes, under the same conditions as for civilian service, but see the answer to Question 32.

21. Of what does deposit to cover prior service consist?

The regular sums ($2\frac{1}{2}$ percent from August 1, 1920, to June 30, 1926; $3\frac{1}{2}$ percent from July 1, 1926, to June 30, 1942; and 5 percent from July 1, 1942) which would have been withheld had the employee occupied a retirement status at the time, plus interest at the rate of 4 percent compounded on December 31 of each year.

22. What advantage is gained by making the deposit?

The making of deposit will, in most instances, increase the annuity proportionately upon retirement and, since the employee's account draws interest at the rate of 4 percent, compounded annually, it is generally to an employee's definite advantage to make the payment.

23. Can any estimate be made as to the probable reduction in annuity if the deposit is not paid?

Each \$100 due the fund by a male applicant for annuity at age 60 will reduce his annuity by approximately \$7.62 a year. This figure varies, based on age at retirement, and increases to \$9.75 at age 70. The corresponding amounts for a female employee are \$7.04 to \$8.76. On any deposit due and unpaid, interest is charged through all periods of employment to date of retirement, and the sum then due will be used to determine the reduction in annuity necessary.

24. How is deposit to cover past service made?

Following receipt of properly executed Form 3012, which the employee submits through the employing department or agency, the Civil Service Commission issues definite instructions regarding the making of deposit. The payment may be made in a lump sum, or, if the employee so desires, in reasonable installments to be determined by the Commission.

25. How does the employee request the privilege of making installment payments?

By indicating on page 1 of Form 3012, in the space provided for "Remarks," the maximum amount he is prepared to pay each month or each quarter.

26. May an employee elect to make deposit for only a portion of the service when he had no retirement status?

No. The amount of deposit must be computed on all of such service.

27. If an employee is unable to complete his deposit after paying a number of installments, what happens?

He is credited with the sum paid, and the annuity otherwise due is reduced by the amount purchasable with the unpaid balance.

28. Should an employee not desire credit for the service during which no deductions were taken, may he elect not to claim such service?

He has the option of eliminating such service for annuity computation purposes.

29. In what cases would it be desirable not to claim credit for this service?

It would be to the employee's advantage only if he had sufficient service, exclusive of the deposit period, to give him the maximum or near the maximum annuity.

30. Is deposit required covering service rendered prior to August 1, 1920?

No.

31. May deposit to cover past service be made by an employee after his separation from service?

Deposit can be made at the time his annuity claim is actually being adjudicated by the Civil Service Commission; also an employee separated after serving 5 years or more who is entitled to future annuity benefits may make deposit at any time before his annuity claim is finally adjudicated.

32. What rights has a civilian employee furloughed or placed on leave without pay to enter the military or naval service?

He will receive credit for the entire period during which he was on leave of absence in the armed forces, without contribution to the retirement fund. He has the alternative privilege of electing to make a deposit in order to have this period credited as military service. Such deposit, however, would be beneficial to the employee only in case the use of the base pay received while in military service would increase the average base pay used in the computation of annuity. Determination of this point can, generally, be made only at the time of retirement.

33. Does this same rule apply to employees entering the WAC, WAVES, SPARS, etc.?

Yes.

34. What is the situation regarding a period of service when the employee was subject to the retirement law, but through administrative error or misunderstanding no retirement deductions were withheld from his salary?

Deposit covering any such service must be made in the retirement fund before any annuity benefits may be allowed.

35. How are employee contributions handled?

The money deducted from an employee's salary or deposited by him, less the sum of \$1 for each month of service or major fraction thereof from and after July 1, 1930, is credited to his individual account in the retirement fund.

36. What happens to the \$1 per month?

This sum (so-called "tontine") is placed in the retirement fund but not to the credit of any particular employee.

37. What is the reason for this tontine withholding?

Its purpose was to reduce the cost to the Government as regards the share of the annuity contributed by it. The ultimate result is to make a more even division in cost between the Government and the retiring employee. It is not a handling or service charge.

38. May an employee make additional payments to increase his annuity?

Yes. Any employee subject to the Retirement Act may make voluntary contributions to the retirement fund, in addition to his regular payments. These voluntary contributions must be made in amounts of \$25 or a multiple thereof, and may not exceed 10 percent of the aggregate basic salary received by the employee since August 1, 1920. The amounts so deposited plus interest at 3 percent compounded annually are available at time of retirement to purchase additional annuity.

39. May an employee pay voluntary contributions without making deposit or redeposit to cover prior service?

Yes, unless there is involved a payment which is required for title to annuity (see questions 34 and 128). It is generally to the

employee's advantage, however, to first make any deposit or redeposit due before applying for the voluntary contribution privilege.

40. Is tontine charged against these voluntary contributions?

No.

41. How are these payments made?

These voluntary contributions are made direct to the Civil Service Commission. Instructions and identification slips are issued by the Commission after the employee executes and files with that office Form 3471 evidencing his election to make the payments.

42. After separation from service can an employee make voluntary contributions to increase his annuity?

These contributions may be made only by an employee in the service, or at the time his annuity claim is actually being adjudicated by the Civil Service Commission.

43. May voluntary contributions be made by an employee on military furlough from his civilian position?

Such contributions may be deposited based on salary received between August 1, 1920 and beginning date of furlough, but no contributions are then acceptable based on the military or naval pay.

44. Does the Government contribute to the retirement fund?

Yes. Congress makes annual appropriations to the fund in amounts determined by the Board of Actuaries to be necessary to keep the fund in a sound working condition.

III. Retirement Eligibility

45. How many types of retirement on annuity are provided for in the retirement law?

Four: Age, optional, disability, and discontinued service.

46. Is there a compulsory retirement age?

Yes, 70 years. An employee who has served at least 15 years is automatically separated at the end of the month in which he attains such age, unless continued in service beyond that date by Executive order, or reemployed.

47. Does this automatic separation apply to all employees?

Yes, except certain employees in the legislative and judicial branches of the Government.

48. What happens if the employee has served less than 15 years when he reaches 70?

He may continue in Federal employment until he completes this 15-year period.

49. In case the employee resigns or is discharged after he reaches 70, but before completing 15 years' service, will he forfeit his right to any annuity?

If he has served 5 years or more, discontinued service annuity will be payable from the first of the month following separation; if less than 5 years, refund only will be due.

50. May an employee retired for age be reemployed in the Government service?

He may if the appointing officer determines that he possesses special qualifications.

51. How will the reemployment of an age annuitant affect his annuity?

The annuity previously awarded is terminated. The individual becomes subject to the Retirement Act in the new position and will be entitled to retire again upon subsequent separation, his annuitable rights being dependent upon the circumstances surrounding the separation and the law in effect at that time.

52. May this reemployment be effected immediately after retirement, or is an actual break in service necessary?

Reemployment may be authorized under either circumstance.

53. Under what conditions may an employee optionally retire?

An employee has the privilege of retiring at his option at any time after attaining age 60 if he has served 30 years or more, age 62 with 15 years' service, or on a reduced annuity at any time between age 55 and 60 with 30 years' service.

54. How does the employee exercise this option?

By executing the application (Form 3001) prior to separation from service.

55. Is the option limited to the employee or has the Government any rights in this regard?

With respect to the employee who has attained age 60 and has served 30 years, or is 62 and has completed 15 years, the head of

the employing department or agency may file claim for his retirement provided the employee is by reason of a disqualification unable to perform satisfactorily and efficiently the duties of his or a similar position.

56. May the employee protest the exercise of this Government option?

Yes. If he feels his condition is not such as to disqualify him from rendering efficient service, he may request a hearing before the Civil Service Commission, at which hearing he may appear personally or be represented by a person of his choice. Should he fail to request hearing, action will be taken based on the record in the case including any written evidence he may present. The Commission's decision in the matter is final and conclusive.

57. Is an employee notified of the filing by the department head of this optional retirement claim?

Yes, and at the same time he is advised of his right to appeal to the Civil Service Commission.

58. Is reemployment of an optional annuitant in Federal service permitted?

Yes, under the same conditions and with the same results as for an age retirement case. See questions 50 and 51.

59. What rights has an employee who becomes physically or mentally unable to carry on his duties?

The law provides for the granting of annuity to an employee who, after having completed at least 5 years of service, becomes totally disabled for useful and efficient service in the grade or class of position occupied. The disease or injury involved must not be due to vicious habits, intemperance, or willful misconduct on his part occurring within the 5-year period preceding his becoming so disabled.

60. What constitutes "total disability" for the purposes of this law?

Inability of the applicant to perform his duties, or the duties of a similar position to which he could be assigned, satisfactorily and efficiently because of disease or injury. It need not be shown that the applicant is disabled for all kinds of work.

61. Must the injury or disease be incurred in performance of duty?

No. If it is so incurred, however, the employee will have a choice between annuity under the Retirement Act and benefits

under the Employees' Compensation Act and may elect whichever pays the higher rate.

62. Is there any time limitation with respect to claiming a disability annuity?

Yes. Application must be executed prior to the employee's separation from service or within 6 months thereafter. The only exception to this time limitation is in case of an employee who at date of separation or within 6 months thereafter is adjudged mentally incompetent. The application in such case is acceptable if filed with the Commission within 1 year from the date of the person's restoration to competency or the appointment of a fiduciary (guardian, committee, etc.), whichever is the earlier.

63. If an employee is mentally incompetent, who files the annuity application?

His guardian or other duly appointed fiduciary, if there be one; otherwise a relative or other interested person acting as next friend may submit the claim.

64. Should any other papers be submitted with the disability annuity application?

The claim must be accompanied by a statement from the applicant's superior officer, showing how the employee's condition affects his performance of duty, and a report from his attending physician, if any, describing fully his disabilities. Both statements should voice an opinion as to whether the disability is the result of vicious habits, intemperance or willful misconduct.

65. May the employing department or agency file a disability annuity claim on behalf of an employee?

The head of such department or agency may do so.

66. When does a disability annuity become effective?

The first day of the month following separation, or the first of the month following termination of pay status provided total disability is shown to exist at that time.

67. After the employee is placed on the disability annuity roll, are further medical examinations necessary?

Annual examinations are required until the annuitant reaches retirement age, unless it is determined that the disability is permanent in character. A finding of permanent total disability may be made upon the first or any subsequent examination, and will eliminate the necessity of any further examination unless circumstances warrant.

68. Must the former employee bear the cost of these medical examinations?

No. The employee may be reimbursed for any reasonable traveling and other expenses necessarily incurred.

69. In case a disability annuitant recovers, what is his status?

His annuity is continued temporarily (not to exceed 1 year) to afford him opportunity to seek an available position. If reemployed in the Government service within the year, annuity payments cease immediately.

70. Is reinstatement in Federal service automatic upon recovery?

No. The individual must locate an available position for which he is qualified.

71. If a recovered disability annuitant is unable after due diligence to secure reemployment in the Government service, may he receive a further annuity?

Yes, if his annuity ceased after June 30, 1945, he may draw a discontinued service annuity (see below) at age 55, or immediately upon discontinuance of disability annuity, if over that age.

72. What happens to the money in his individual account if his annuity ceased prior to July 1, 1945?

Any balance not exhausted by annuity payments is returnable upon application, unless he is reemployed in a position under the Act.

73. Must the recovered disability annuitant, upon reemployment, repay any of the annuity received in order to qualify for annuity at some future time?

No.

74. Who is entitled to discontinued service retirement?

Any employee after serving 5 years or more, if separated from a position under the Act on or after January 24, 1942, has the right to a future annuity regardless of the reason for separation.

75. When does the discontinued service annuity become effective?

Payments begin the first of the month following attainment of age 62, if the employee resigned from service or was discharged for cause. If the separation was involuntary, not by removal for cause on charges of misconduct or delinquency, the individual

may receive the annuity at age 62 as indicated, or he may elect to receive a reduced annuity beginning the first of the month following attainment of age 55, or following separation if beyond that age.

76. Is an employee eligible for annuity at age 62 even though he was removed for cause on charges of misconduct or delinquency?

Yes.

77. Is the privilege of electing to receive annuity at age 55 the only advantage gained by an involuntary separation for reasons other than misconduct or delinquency?

No. The employee involuntarily separated has his annuity computed under whichever of the three plans produces the greatest benefit, while the annuity of an employee who resigns or is discharged for cause is computed under Plan I only. See question 85.

78. What separations are considered involuntary?

All separations from service against the will or without the consent of the employee, other than those for cause based on misconduct or delinquency, are classed as involuntary within the meaning of the retirement law.

79. May an employee receiving discontinued service annuity be reemployed in Federal service?

He is eligible for reemployment. However, if he has reached age 70 and served 15 years or more, he may be reemployed only if, in the opinion of the appointing authority, he possesses special qualifications.

80. What effect will reemployment have on the discontinued service annuitant's future rights?

If reemployed in a position wherein he is subject to the Retirement Act, the annuity is terminated and his future title to annuity would be governed by the law in effect at the time of separation; should he not be subject to the Retirement Act in the position, annuity is suspended during the reemployment period and then resumed at the same rate.

81. May a person who has never been in Government service be appointed if he is beyond age 70?

Yes.

82. Is there any restriction on the employment of an annuitant outside the Government?

No. Such employment will not affect the annuitant's right to continue in receipt of his retirement benefit. The only exception might be in a disability retirement case if the individual's performance of duty in the outside position would indicate recovery and ability to return to his former Federal employment.

83. May an annuitant serve in private industry under an employer who is engaged in Government work under contract?

Yes, since he would not be an employee of the United States, he could continue in receipt of annuity benefits. The only possible exception might be in a disability annuity case, where the performance of duties might indicate recovery from disability.

IV. Annuity Computations

84. How are annuities computed?

Three methods are provided in the law for computing annuities. For simplicity, they are referred to by the Civil Service Commission as Plans I, II, and III. Generally speaking, whichever of the three plans will produce the highest annuity is used in each particular case.

85. What is Plan I?

Under this method, the annuity is composed of two parts: (1) A sum equal to \$30 for each year of service not exceeding 30 years and (2) the amount purchasable with the sum (including interest) credited to the employee's individual account in the retirement fund. Two qualifications are placed on the first portion of the annuity, namely, the total sum under (1) may not exceed three-fourths of the employee's average basic salary for the highest 5 consecutive years, and this portion must be at least as large as the life annuity purchasable by the employee's account under (2).

86. How is part (2) of the annuity under Plan I determined?

By multiplying the employee's individual account (including interest) at retirement by the proper actuarial factor based on his or her age and sex.

87. When is this Plan used?

Plan I is always used where the employee's applicable average salary is \$1,200 a year or less. It is also generally operative at the present time when this average salary is as high as \$1,500. In

the future, however, when employees' individual accounts will materially increase, this method may operate in any salary bracket.

88. What is the so-called "matching provision"?

This operates under Plan I when an employee's individual account is sufficiently large to purchase annuity in excess of the amount which the Government would otherwise contribute. In other words, the Government's share of the annuity (\$30 for each year of service up to 30) will be raised in applicable cases to "match" the sum which the employee's individual account with interest will buy.

89. How does Plan II operate?

The employee's average annual basic salary for the highest 5 consecutive years, not to exceed \$1,600, is multiplied by the number of years of service not exceeding 30 years, and the total so obtained is divided by 40.

90. Under what circumstances does Plan II produce the highest rate?

Generally in the salary range between \$1,500 and \$2,800 at this time; if the employee has served 35 years or more, and has an average salary of over \$2,400 for 5 consecutive years, Plan III will be operative. As the years pass and employees retire with materially larger individual accounts, Plan II will seldom be used.

91. How is the annuity computed under Plan III?

By multiplying the employee's average basic salary for the highest 5 consecutive years by the number of years of service rendered, not exceeding 35 years, and dividing the product by 70.

92. In which cases will Plan III give the highest annuity?

When the 5-year average salary is over \$2,800. If the applicant has served 35 years or more, the Plan will operate on an average salary above \$2,400.

93. How is an employee's 5-year average basic salary determined?

By adding the total basic salary for the highest 5 consecutive years and dividing this total sum by 5. The 5 years do not mean calendar years and need not be one continuous period, but must be consecutive as regards the employee; where breaks in service exist through separation (for any reason including retirement) and reemployment, service before and after the breaks may be joined together to compute the 5-year average.

94. Can a simple comparison be made between the three methods of computation?

Assume a male employee retires at age 70 after 30 years of service, with an average basic salary of \$3,500 for the highest 5 consecutive years and \$4,000 credited to his individual account in the retirement fund. At that age, the decimal applicable to his individual account is .0974849, and the three computations would produce the following results:

Plan I. $\$900 (30 \times \$30)$ plus $\$389.94 (\$4,000 \times .0974849)$ equals $\$1,289.94$.

Plan II. $\$1,600$ multiplied by 30 and divided by 40 equals $\$1,200.00$.

Plan III. $\$3,500$ multiplied by 30 and divided by 70 equals $\$1,500.00$.

The annuity of \$1,500 under Plan III would be allowed in this case, as that plan produces the highest rate of annuity.

95. Do the same computations apply with less than 30 years' service?

Yes. Assuming the employee retires at age 70 with 15 years' service, a 5-year average basic salary of \$3,500, and \$2,000 in his individual account, the annuity would be computed as follows:

Plan I. $\$450 (15 \times \$30)$ plus $\$194.97 (\$2,000 \times .0974849)$ equals $\$644.97$.

Plan II. $\$1,600$ multiplied by 15 and divided by 40 equals $\$600.00$.

Plan III. $\$3,500$ multiplied by 15 and divided by 70 equals $\$750.00$.

96. How would these computations compare in the case of a female employee retiring under similar conditions?

Plans II and III would be the same and annuity of \$1,500 or \$750, respectively, allowed. However, the decimal for use under Plan I would be .0876271, so that this computation would show "\$900 plus \$350.51 equals \$1,250.51," or "\$450 plus \$175.25 equals \$625.25."

97. Will failure to make deposit covering past service affect these computations?

Yes. All of these computations assume that regular deductions have been withheld for all service from and after August 1, 1920, for which credit is claimed, or that deposit to cover such service has been made later. If an employee claims credit for service from August 1, 1920, during which he had no retirement status,

and he fails to pay the necessary deposit, computations will be made as indicated, but the annuity otherwise due will be reduced by the amount such deposit would purchase. (See also answers to questions 34, 128, 130, 135, and 139.)

98. Do fractional parts of a year count in these computations?

Years and months are counted, but the fractional part of a month, if any, in the total service is eliminated.

99. Are these three Plans used in computing annuities under all provisions of the retirement law?

Yes, with the exception of annuities beginning at age 62 based on voluntary resignations or removals for cause after 5 years' service, under which circumstances the computations may be made under Plan I only.

100. In case an employee retires optionally between 55 and 60 years of age with 30 years' service to his credit, how is his benefit computed?

Computation is first made under whichever method produces the greatest benefit. The figure so obtained is then reduced by applying the proper actuarial factor based on his attained age (years and months).

101. How may the employee determine the rate payable upon such optional retirement?

Only a rough estimate can be made in the absence of complete facts existing as of retirement date, including the actual amount credited to his individual account at that time. For estimate purposes, it may be stated that at age 55 a male employee would receive approximately two-thirds of the benefit allowable had he attained age 60; at age 56, approximately 72 percent; age 57, approximately 78 percent; age 58, approximately 85 percent; age 59, approximately 92 percent, etc.

102. Are the percentages different for female employees?

Yes; the corresponding approximate figures for women are: Age 55, 69 percent; age 56, 74 percent; age 57, 80 percent; age 58, 86 percent; age 59, 93 percent, etc.

103. In the case of an employee involuntarily separated not for cause after serving 5 years or more, what annuity will be payable?

He will have a choice of two benefits. He may elect to receive annuity effective the first of the month following attainment of age 62, which annuity would be computed by using whichever of

the three methods produces the highest rate, or he may select a reduced annuity beginning the first of the month following his 55th birthday. For a man the 55 year benefit would approximate 56 percent of the full rate, while a woman would receive approximately 59 percent.

104. Suppose the involuntary separation occurred between ages 55 and 62, what is the result?

The employee could still elect the full benefit at 62, or a reduced annuity beginning the first of the month following separation. The latter would, of course, be based on attained age (years and months) and the following approximate percentages would apply: Male, age 56, 60 percent; age 57, 65 percent; age 58, 71 percent; age 59, 77 percent; age 60, 84 percent; age 61, 92 percent; female, age 56, 63 percent; age 57, 68 percent; age 58, 73 percent; age 59, 79 percent; age 60, 86 percent; age 61, 93 percent.

105. Has an employee any choice as to form of annuity allowed?

Yes. The annuity will be a nonforfeiture life annuity, unless the applicant elects an increased annuity with forfeiture, or (in some instances) a joint and survivorship annuity.

106. When should this election be made?

The choice must be made at time of retirement. No change can be allowed after the employee's retirement claim has been adjudicated.

107. If an employee is undecided regarding the form of annuity best suited to his needs, what should he do?

He may indicate his indecision in the annuity application. The Civil Service Commission will then, in the adjudication of his claim, advise him of the exact amount payable under each form and give him opportunity to make a choice with the full facts before him.

108. Which form of annuity has been covered by the computations in the foregoing questions?

A nonforfeiture life annuity.

109. What is meant by a nonforfeiture life annuity?

This annuity continues during the lifetime of the annuitant, and upon his death any balance of his individual account not exhausted by purchasable annuity payments is returnable to his beneficiary or to his estate.

110. How is this purchasable annuity determined?

By the use of actuarial decimals based upon life expectancy. For example, the individual account of a male employee retiring at age 70 will be exhausted in 10 years and 3 months; this means that a little less than one-tenth of his account will be exhausted each year, and if he dies within the period indicated the balance will be payable to his beneficiary or to his estate. The corresponding period for a female employee retiring at the same age is 11 years and 5 months. For persons retiring at earlier ages, the period is somewhat longer.

111. Explain the increased annuity with forfeiture.

This benefit, which is also payable as long as the annuitant lives, is at a slightly higher rate than the life annuity. However, upon the annuitant's death no portion of his individual account is payable to his beneficiary or estate but is forfeited to the retirement fund.

112. How much difference exists between life annuity and increased annuity with forfeiture?

This depends upon the age of the person at retirement and the sum credited to his individual account in the retirement fund. For example, in the case of a male employee retiring at age 70, each \$1,000 credited to his individual account will give him approximately \$28 a year more (than the life annuity) if he elects this forfeiture plan, while for a woman under similar circumstances the difference approximates \$20 for each \$1,000. At age 60 the corresponding amounts are approximately \$12 (male) and \$9 (female).

113. What is meant by joint and survivorship annuity?

An employee retiring under the age or optional provision of the retirement law may elect a joint and survivorship annuity, under which election he receives a smaller annuity during his lifetime, but, upon his death, an annuity at the same rate or 50 percent thereof will be paid to the duly designated survivor annuitant as long as such survivor annuitant lives. Particular notice should be taken of the fact that this form of annuity is available only to age and optional annuitants, and may not be allowed persons entitled to disability annuity or discontinued service annuity.

114. Who may be designated survivor annuitant?

Any natural person may be named. The employee must, however, live at least 30 days beyond date of retirement before any such election is valid; if he dies within such period, it shall be considered as a death in active service.

115. How are joint and survivorship annuities computed?

The increased annuity with forfeiture due the employee is determined and this figure reduced by applying the proper actuarial factor based on the life expectancies of the applicant and survivor annuitant. These factors vary with the age and sex of the employee and survivor annuitant and are affected by whether the survivor annuitant is to receive the same annuity as the former employee or only 50 percent thereof.

116. Could an example covering joint and survivorship annuity computation be cited?

Yes. Assuming that a male employee retires at age 70, and names his wife (same age) as survivor annuitant, and that the increased annuity with forfeiture due him is \$1,500 per annum: If he elects an equal annuity for his survivor annuitant, the benefit would be computed by applying the proper factor (\$1,500 multiplied by .6778) producing \$1,016.70 which would be payable during his life and to the widow after his death; if he elects only 50 percent of the annuity for his survivor annuitant, the applicable factor would produce \$1,212.00 (\$1,500 multiplied by .8080) as his annuity with 50 percent thereof (\$606) carrying over to his widow.

117. Is it permissible for an employee who has elected a joint and survivorship annuity to change the survivor annuitant or select another form of annuity?

Only up to the time his annuity claim is adjudicated by the Civil Service Commission; after that no change can be authorized.

118. In case the survivor annuitant dies before the annuitant, what happens?

The annuitant continues in receipt of the reduced benefit under his election. Upon his death nothing further will be due under the retirement law.

119. How do voluntary contributions made by an employee affect his annuity?

The sum purchasable with his voluntary contributions with interest is added to the annuity otherwise due.

120. How much additional annuity do such voluntary contributions purchase?

This depends upon the sex of the employee and age at time of retirement. The same factors are used as for the employee's portion of annuity, (for example, life annuity; male, age

70—.0974849; female, age 70—.0876271) and are multiplied by the sum in his voluntary contribution account.

121. Does the employee elect the form of annuity purchasable with his voluntary contributions?

Yes. Voluntary contributions may be used to purchase any one of the types of annuity provided for by the Act regardless of the type chosen for his regular annuity.

V. Refunds and Redeposits

122. What is meant by "refund"?

The return to an employee of retirement deductions to which he is entitled upon separation from the service or upon transfer to a position wherein he does not retain a status under this Act.

123. Under what conditions are refunds payable?

An employee who becomes absolutely separated before he has completed an aggregate of 5 years' creditable civil or military service under the Government, or who is transferred to another Federal position not within the purview of the retirement law, is entitled to receive a refund covering the entire period involved.

124. Does the 5-year service period apply in case of transfer to another Government position outside the retirement law?

No. Such transfer accords no title to annuity regardless of length of service, and refund only is payable.

125. What constitutes transfer to a position not within the purview of the retirement law?

A transfer to a position wherein the employee becomes subject to another Federal retirement system, or to a position in which the employee does not automatically continue subject to the retirement law, such as clerk to a Member of Congress.

126. Are the employee's total contributions refundable upon separation with less than 5 years' service or transfer to a position outside the Act?

Total deductions with interest are returnable upon involuntary separation not by removal for cause on charges of misconduct or delinquency. However, upon a voluntary resignation, removal for cause on charges, or transfer to a position outside the Act, an employee receives only the sum credited to his individual account (total deductions, less tontine) plus interest.

127. At what rate is interest computed?

Interest of 4 percent, compounded annually, is allowed during the employment period, provided the service involved totals more than 1 year. If the refund covers 1 year or less, no interest is payable.

128. Must the amount refunded upon separation with less than 5 years' service or transfer to a position outside the retirement law be later returned to the retirement fund?

In case the employee reenters the service in a position wherein he again acquires a retirement status, he must redeposit such amount with interest before he can ever receive any annuity.

129. Need the redeposit be made immediately upon re-employment?

No. It is only necessary that the redeposit be made prior to the employee's retirement from service or prior to the adjudication of his annuity claim. An early settlement has the advantage of terminating interest on the sum due.

130. In case refund was based upon a separation prior to January 24, 1942, is redeposit thereof required before any annuity is payable?

No. However, redeposit in such case is necessary if the employee desires the refund period credited for annuity computation.

131. Has an employee separated after serving 5 years or more any right to refund?

As pointed out in answer to question 74, such individual has a vested future annuity right. In case he desires, however, he may receive refund covering deductions, deposits, and redeposits made prior to January 24, 1942, with interest.

132. If deposit or redeposit made after January 24, 1942, covers service prior to that date, may this be refunded upon such separation?

No. Where the separation occurs after completion of 5 years' service, any money placed in the fund on or after January 24, 1942, is frozen for future annuity purposes.

133. Must the employee have served this 5 years in a position under the Act?

No. The freezing provision will apply if he has, at date of separation, completed 5 years of creditable service, whether or not deductions have been taken from his salary for the entire period.

134. What is the significance of the date January 24, 1942?

That was the date of approval of amendment to the retirement law vesting future annuity rights after service of 5 years or more.

135. Are total deductions withheld prior to January 24, 1942, refundable in case of separation after 5 years' service?

Yes, if the employee is involuntarily separated not for cause on charges of misconduct or delinquency. Should he resign or be removed for cause, he may receive only the sum credited to his individual account (total deductions, less tontine) through January 23, 1942, with interest.

136. In separations after 5 years' service what happens to the money deposited on or after January 24, 1942?

It is retained to the employee's credit in the retirement fund for future annuity benefits.

137. What interest is allowed in such cases?

Interest at the rate of 4 percent during employment and at 3 percent during separation periods, compounded annually.

138. May an employee separated after January 24, 1942, with 5 years of service redeposit the refund paid him?

Yes. This redeposit may be made with interest at any time prior to the adjudication of his annuity claim.

139. Is such redeposit required before any annuity is allowable?

No. Refund paid upon separation after 5 years' service must be redeposited only in case the employee desires credit for the service covered thereby.

140. Is interest charged on such redeposit?

Yes, during separation periods at the rate of 3 percent and during periods of employment at 4 percent, compounded annually.

141. Under what conditions may voluntary contributions be returned to an employee?

These contributions are returnable with 3 percent interest upon any separation from service prior to becoming eligible for retirement on annuity, or upon transfer to a position outside the Act.

142. Is this true regardless of when the voluntary contributions were deposited?

Yes. The freezing provision applicable to regular deductions, etc., from January 24, 1942, does not apply to voluntary contributions.

143. How about redepositing voluntary contributions?

No provision is made for this. However, when the individual becomes eligible to receive annuity or is reemployed in a position under the retirement act, he may again elect to make voluntary contributions.

144. What happens to the sum credited to the account of an employee who dies in service?

The total sum contributed by the employee to the retirement fund is returnable with interest to his duly designated beneficiary or beneficiaries if he has filed such designation with the Civil Service Commission prior to his death. If no beneficiary has been designated, payment will be made to the duly appointed executor or administrator of the decedent's estate, or if none such, then to the next of kin.

145. Is tontine withheld in case of death in service?

No. It is included in the payment to the beneficiary or estate.

146. Is tontine withheld if the employee dies after separation?

The reason for his separation will govern whether individual account or total deductions can be paid, the same as for a refund payment.

147. Will the order of payment outlined in Question 144 apply if an annuitant dies after being retired?

Yes.

148. What would be due upon the annuitant's death?

If he has elected the regular life annuity and dies before his individual account is exhausted, the balance of such account and any unpaid annuity would be payable. If he selected the increased annuity with forfeiture, only the annuity accrued from date of last payment to date of death could be paid.

149. What is the procedure for designating a beneficiary?

The employee or annuitant executes Form 2806-1 in duplicate and forwards same to the Civil Service Commission, Washington 25, D. C. To be valid, the form must be received in the Commission prior to the designator's death.

VI. Miscellaneous

150. How is annuity paid?

These payments are made monthly by Treasury checks mailed to the annuitant on the first business day of the month following the month or other period for which annuity has accrued.

151. May annuity checks be negotiated under power of attorney?

Specific power of attorney is acceptable if drawn in favor of a reputable bank or trust company, but may not be executed in favor of an individual. Treasury Form 6711 has been prescribed for this purpose, and the power of attorney must be reexecuted every 12 months.

152. Is power of attorney acceptable to negotiate refund checks?

These checks may be negotiated under general power of attorney. Treasury Form 6569 is available for this purpose.

153. What procedure should be followed in case an annuitant is mentally incompetent?

A guardian or other fiduciary must be appointed by the court to handle his affairs.

154. Can annuity, refund, or death payment be attached to satisfy a judgment or other indebtedness?

No. The law bars attachment, levy, garnishment, or other legal process as affecting such payments.

155. Does this bar apply to an indebtedness due the United States?

This is the one exception to the rule. The sum otherwise due in annuity, refund, or upon death of an employee may be used to satisfy a bona fide claim which the Government may have against the individual.

156. May a claim for overdrawn leave be applied against a former employee's annuity or refund?

Yes.

157. Will the Civil Service Commission cooperate with a private creditor in attempting to induce an annuitant to satisfy his claim?

No. An annuity granted under the Retirement Act constitutes personal funds of the annuitant.

158. May an employee voluntarily assign money credited to his individual account as security for a loan or other purpose?

No.

159. May an employee borrow from the retirement fund?

No.

160. Where may an employee find out how much is credited to his individual account?

The department or office in which the employee is serving maintains his retirement account showing service and deductions. This account is not certified to the Civil Service Commission until after the individual has been separated from service.

161. Are annuity payments subject to Federal income tax?

An annuity under the Retirement Act is not reported as income until the annuity actually received exceeds the sum contributed by the individual to the retirement fund. Until this point is reached, 3 percent of the sum contributed by him to the fund must be reported as income. When the amount of annuity received and excluded from gross income equals the sum contributed by the employee, the subsequent annuity is subject to being reported in its entirety for income tax.

162. Was the former victory tax also applicable to annuities?

Yes, any annuity subject to income tax, as indicated in answer to question 161, was also subject to victory tax.

163. Are any amounts withheld from annuity checks to cover income tax?

No, since annuity does not constitute "wages" within the meaning of the revenue laws. Annuitants must of course file the regular tax returns and claim therein any exemptions allowed by law.

164. Where may the annuitant secure the necessary information to file his income tax return?

He should obtain information regarding annuity payments and contributions from the Retirement Division, Civil Service Commission. If he is then unable to complete the tax return, he should contact the Office of the Collector of Internal Revenue for his district.

165. May an annuitant engage in politics?

Yes. An annuitant is not an employee and consequently is not governed by the political activity restrictions applicable to employees.

166. If an employee is eligible for retirement on annuity, can the employing department or agency take action to defeat his annuity rights?

No. If the employee meets the requirements for eligibility and takes all necessary steps to perfect his title, the annuity is allowed as authorized by law.

167. What recourse has an applicant under the retirement law if his claim is denied?

The action by the Commission's Retirement Division is subject to review by the Board of Appeals and Review of the Commission. The employee is fully advised of this when notified of rejection of his claim.

168. Is it necessary that proof of date of birth be submitted with a retirement claim?

An applicant is required to furnish proof only in case a discrepancy in the record exists, and he will be called upon regarding submission of evidence if proof is necessary in his case. If joint and survivorship annuity is selected, proof of the survivor annuitant's birth date must be furnished.

169. Is it possible for an individual to receive a Civil Service annuity and Social Security benefits at the same time?

Yes. These payments are made under different laws and are based upon different periods of service, the first for employment under the Federal Government and the second for periods of service performed for outside industry.

170. Is information regarding annuitants furnished to persons making inquiry?

This information is considered confidential, and is disclosed only upon the consent of the annuitant, or upon proper court order.

171. Is it necessary that claim be filed with the Civil Service Commission when an employee becomes eligible for refund or annuity?

Yes.

172. What forms are prescribed for filing claims under the retirement law?

Form 3000—Death claim.

Form 3001—Age retirement; optional retirement; discontinued service retirement.

Form 3002—Disability retirement.

Form 3005—Refund of deductions.

Form 3012—Deposit to cover past service; redeposit.

Form 3471—Voluntary contributions.

Form 2806-1—Designation of beneficiary.

173. Where may an employee secure these forms?

From the personnel office of his department or agency or from the Retirement Division, Civil Service Commission, in Washington 25, D. C.

174. Should an employee have a particular question not answered here, where should he go for information?

To the Retirement Division, Civil Service Commission, Washington 25, D. C.

175. Are any other publications regarding the retirement law available?

The Civil Service Commission has published an official retirement handbook titled "THE CIVIL SERVICE RETIREMENT ACT with Annotations and Regulations," a technical publication intended primarily for the use of administrative officials. This book may be secured from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C., at 20 cents a copy.

Appendix

EXECUTIVE ORDER

AUTHORIZING CERTAIN EXCLUSIONS FROM THE OPERATION OF THE CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930, AS AMENDED

By virtue of and pursuant to the authority vested in me by section 3 (*b*) of the Civil Service Retirement Act of May 29, 1930 (46 Stat. 468), as amended by the act of January 24, 1942 (Public Law 411, 77th Congress), it is hereby ordered as follows:

1. Employees in the following classifications of Federal personnel in the Executive branch of the Government are hereby excluded from the operation of the said Retirement Act, unless eligible for retirement benefits by continuity of service, by reinstatement, or otherwise:

(*a*) Employees whose expected service will be for brief periods but not to exceed 1 year.

(*b*) Employees paid by the hour, day, month, or year when actually employed, whose employment is periodic, part-time, or recurrent and for whom a regular tour of duty is not contemplated.

(*c*) Employees and consultants paid on a contract or fee basis.

(*d*) Employees paid on a piece-work basis, except when serving under regular or permanent appointment.

(*e*) Cooperative employees not wholly under the control of the Federal Government and not otherwise subject to the Civil Service Retirement Act.

(*f*) Officers and employees without compensation or with nominal compensation of \$12 or less per annum.

(*g*) Intermittent alien employees engaged on work outside the continental limits of the United States.

(*h*) Member and patient employees in Government hospitals or homes.

(*i*) Employees serving under temporary appointments pending final determination of their eligibility for permanent or indefinite appointment.

(*j*) Acting postmasters, clerks in fourth-class post offices, substitute rural carriers, and special-delivery messengers at second-, third-, and fourth-class post offices.

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2. The Civil Service Commission is authorized to determine the applicability of the above classifications to specific officers and employees or groups of officers and employees in the Executive branch of the Government.

3. This order shall be effective as of January 24, 1942, except that it shall not be so construed as to defeat any retirement rights of officers and employees acquired before the date of this order.

THE WHITE HOUSE,
May 1, 1942.

FRANKLIN D. ROOSEVELT.

(No. 9154)

E X H I B I T "A"

For purposes of illustration, the following table outlines the nonforfeiture annuities payable to male employees who entered the service on July 1, 1930 and who retire at age 70 with the varying periods of service shown -- based on the stated fixed salaries for the entire period, and deductions of 3 1/2 per cent from July 1, 1930 to June 30, 1942 and 5 per cent from July 1, 1942

Fixed Salary		Years of Service								Fixed Salary
		15	20	25	30	35	40	45	50	
\$ 1,260	Accumulations Annuity - Employee Government Total	\$ 715.83 69.78 450.00 519.78	\$ 1,152.69 112.37 600.00 712.37	\$ 1,684.19 164.18 750.00 914.18	\$ 2,330.33 227.22 900.00 1,127.22	\$ 3,117.58 303.92 900.00 1,203.92	\$ 4,074.78 397.23 900.00 1,297.23	\$ 5,239.37 510.76 900.00 1,510.76	\$ 6,656.26 648.88 900.00 1,548.88	\$ 1,260
\$ 1,440	Accumulations Annuity - Employee Government Total	853.10 83.16 456.84 540.00	1,369.42 133.50 600.00 733.50	1,997.60 194.73 750.00 944.73	2,761.86 269.24 900.00 1,169.24	3,691.72 359.89 900.00 1,259.89	4,823.03 470.17 900.00 1,370.17	6,199.45 604.35 900.00 1,504.35	7,874.06 767.60 900.00 1,667.60	\$ 1,440
\$ 1,620	Accumulations Annuity - Employee Government Total	990.37 96.55 503.45 600.00	1,586.15 154.62 600.00 733.50	2,311.00 226.29 774.71 1,000.00	3,192.89 311.26 900.00 1,211.26	4,265.85 415.85 900.00 1,315.85	5,571.27 543.11 900.00 1,443.11	7,159.52 697.94 900.00 1,597.94	9,091.86 886.32 900.00 1,786.32	\$ 1,620
\$ 2,000	Accumulations Annuity - Employee Government Total	1,280.16 124.49 475.20 600.00	2,043.69 199.23 600.77 800.00	2,972.64 289.79 750.00 1,039.79	4,102.84 399.96 900.00 1,299.96	5,477.92 534.01 900.00 1,434.01	7,150.90 687.10 900.00 1,597.10	9,186.35 895.53 900.00 1,795.53	11,662.77 1,136.94 900.00 2,273.88	\$ 2,000
\$ 2,100	Accumulations Annuity - Employee Government Total	1,356.42 132.23 467.77 600.00	2,150.10 210.97 600.00 810.97	3,146.76 306.76 750.00 1,056.76	4,342.30 423.31 900.00 1,323.31	5,796.88 565.11 900.00 1,465.11	7,566.59 737.63 900.00 1,637.63	9,719.73 947.53 900.00 1,895.06	12,339.33 1,202.90 900.00 2,405.80	\$ 2,100
\$ 2,300	Accumulations Annuity - Employee Government Total	1,508.94 147.10 452.90 600.00	2,408.91 238.44 600.00 834.44	3,494.99 340.71 750.00 1,090.71	4,821.23 470.00 900.00 1,370.00	6,434.81 627.30 900.00 1,527.30	8,397.97 816.67 900.00 1,716.67	10,786.48 1,051.52 900.00 2,103.04	13,692.44 1,334.81 900.00 2,669.62	\$ 2,300
\$ 2,600	Accumulations Annuity - Employee Government Total	1,737.72 169.40 450.00 619.40	2,766.12 269.65 600.00 869.65	4,017.33 391.63 750.00 1,141.63	5,539.61 540.03 900.00 1,440.03	7,391.70 720.58 900.00 1,620.58	9,815.05 940.25 900.00 1,860.50	12,386.60 1,207.51 900.00 2,415.02	15,722.11 1,532.67 900.00 3,065.34	\$ 2,600

\$ 3,200	Accumulations Annuity - Employee Government Total	2,195.28 214.01 471.70 685.71	3,438.56 340.08 600.00 940.08	5,062.02 432.47 750.00 1,243.47	6,976.37 680.09 900.00 1,580.09	9,305.48 907.14 907.14 1,814.28	12,139.20 1,183.39 1,183.39 2,366.78	15,586.86 1,519.48 1,519.48 3,038.96	19,781.45 1,928.33 1,928.33 3,856.78	\$ 3,200
\$ 3,800	Accumulations Annuity - Employee Government Total	2,652.84 258.61 555.67 814.28	4,210.99 410.51 675.20 1,085.71	6,106.71 595.31 761.83 1,357.14	8,413.14 820.15 900.00 1,720.15	11,219.26 1,093.71 1,093.71 2,187.42	14,633.35 1,426.53 1,426.53 2,853.06	18,787.11 1,831.46 1,831.46 3,662.92	23,840.78 2,324.12 2,324.12 4,648.24	\$ 3,800
\$ 4,600	Accumulations Annuity - Employee Government Total	3,262.92 318.08 667.63 985.71	5,174.23 504.41 809.87 1,314.28	7,499.63 731.10 911.76 1,642.86	10,328.82 1,006.90 1,006.90 2,013.80	13,770.97 1,342.46 1,342.46 2,684.92	17,958.88 1,750.72 1,750.72 3,501.44	23,054.11 2,247.43 2,247.43 4,494.86	29,253.23 2,851.75 2,851.75 5,703.50	\$ 4,600
\$ 5,600	Accumulations Annuity - Employee Government Total	4,025.53 392.43 807.57 1,200.00	6,378.29 621.79 978.21 1,600.00	9,240.78 900.84 1,099.16 2,000.00	12,723.43 1,240.34 1,240.34 2,480.68	16,960.61 1,653.40 1,653.40 3,306.80	22,115.79 2,155.95 2,155.95 4,311.90	28,387.87 2,767.39 2,767.39 5,534.78	36,018.79 3,511.29 3,511.29 7,022.58	\$ 5,600
\$ 6,500	Accumulations Annuity - Employee Government Total	4,711.87 459.34 933.52 1,392.86	7,461.94 727.43 1,129.71 1,857.14	10,807.82 1,063.60 1,267.83 2,321.43	14,878.58 1,450.44 1,450.44 2,900.88	19,831.29 1,933.25 1,933.25 3,866.50	25,857.02 2,520.67 2,520.67 5,041.34	33,188.25 3,235.35 3,235.35 6,470.70	42,107.60 4,104.87 4,104.87 8,209.74	\$ 6,500
\$ 7,500	Accumulations Annuity - Employee Government Total	5,474.47 533.68 1,073.46 1,607.14	8,665.99 844.30 1,298.05 2,142.85	12,548.97 1,223.33 1,455.24 2,678.57	17,273.18 1,683.87 1,683.87 3,367.74	23,020.33 2,244.19 2,244.19 4,488.38	30,013.93 2,925.90 2,925.90 5,851.80	38,522.00 3,755.31 3,755.31 7,510.62	48,873.36 4,764.81 4,764.81 9,528.82	\$ 7,500
\$ 8,500	Accumulations Annuity - Employee Government Total	6,237.08 608.02 1,213.41 1,821.43	9,870.05 962.18 1,466.39 2,428.57	14,290.12 1,393.07 1,642.64 3,035.71	19,667.79 1,917.31 1,917.31 3,834.62	26,210.56 2,555.13 2,555.13 5,110.26	34,170.85 3,331.14 3,331.14 6,662.28	43,855.76 4,275.27 4,275.27 8,550.54	55,638.32 5,423.95 5,423.95 10,847.90	\$ 8,500
\$10,000	Accumulations Annuity - Employee Government Total	7,380.98 715.53 1,423.33 2,142.85	11,676.13 1,138.25 1,718.89 2,857.14	16,501.84 1,647.67 1,923.76 3,571.43	23,259.70 2,267.47 2,267.47 4,534.94	30,995.02 3,021.55 3,021.55 6,043.10	40,406.22 3,939.00 3,939.00 7,878.00	51,856.39 5,055.21 5,055.21 10,110.42	65,787.25 6,413.26 6,413.26 12,826.52	\$10,000

It is realized that an employee does not receive a stated fixed salary during his entire service period, but the number and dates of promotions cannot be estimated in any particular case. However by substituting an average salary an approximate annuity may be estimated. For employees in the higher brackets it will be necessary to consider an average salary for the highest five consecutive years to determine an approximate annuity.

EXHIBIT "g"

For purposes of illustration, the following table outlines the nonforfeiture annuities payable to female employees who entered the service on July 1, 1930 and who retire at age 70 with the varying periods of service shown -- based on the stated fixed salaries for the entire period, and deductions of 3 1/2 per cent from July 1, 1930 to June 30, 1942 and 5 per cent from July 1, 1942

Fixed Salary		Years of Service						Fixed Salary	
		15	20	25	30	35	40	45	50
\$ 1,260	Accumulations	\$ 715.83	\$ 1,152.69	\$ 1,694.19	\$ 2,330.83	\$ 3,117.58	\$ 4,078.78	\$ 5,239.37	\$ 6,656.26
	Annuity - Employee	62.73	101.01	147.58	204.24	273.18	357.06	459.11	589.25
	Government Total	450.00	600.00	750.00	900.00	1,073.18	1,257.06	1,359.11	1,483.27
\$ 1,440	Accumulations	853.10	1,369.42	1,987.60	2,761.06	3,691.72	4,823.03	6,199.45	7,878.06
	Annuity - Employee	74.75	120.00	175.04	242.01	323.49	422.63	543.24	689.98
	Government Total	540.00	720.00	925.04	1,142.01	1,223.49	1,322.63	1,443.24	1,589.98
\$ 1,620	Accumulations	990.37	1,586.15	2,311.00	3,192.89	4,265.85	5,571.27	7,159.52	9,091.86
	Annuity - Employee	86.78	138.99	202.51	279.78	373.80	488.19	627.37	796.69
	Government Total	513.22	661.01	797.49	920.22	1,000.00	1,073.80	1,157.37	1,243.69
\$ 2,000	Accumulations	1,280.16	2,043.69	2,972.64	4,102.84	5,477.92	7,150.90	9,186.35	11,662.77
	Annuity - Employee	112.18	179.08	260.48	355.52	480.01	626.61	804.97	1,021.97
	Government Total	487.82	620.92	750.00	900.00	1,000.00	1,073.80	1,157.37	1,243.69
\$ 2,100	Accumulations	1,356.42	2,164.10	3,146.76	4,342.30	5,796.88	7,566.59	9,719.73	12,339.33
	Annuity - Employee	118.86	189.63	275.74	380.50	507.96	663.04	851.71	1,081.26
	Government Total	481.14	610.37	750.00	900.00	1,000.00	1,073.80	1,157.37	1,243.69
\$ 2,300	Accumulations	1,508.94	2,404.31	3,494.99	4,821.23	6,434.81	8,397.37	10,786.48	13,692.44
	Annuity - Employee	132.22	210.73	306.25	422.47	563.86	735.89	945.19	1,199.83
	Government Total	467.78	600.00	750.00	900.00	1,000.00	1,073.80	1,157.37	1,243.69
\$ 2,600	Accumulations	1,737.72	2,766.12	4,017.33	5,539.61	7,391.70	9,645.05	12,386.60	15,722.11
	Annuity - Employee	152.27	242.39	352.03	485.42	647.71	845.17	1,085.40	1,377.68
	Government Total	602.27	842.39	1,102.03	1,385.42	1,547.71	1,705.17	1,870.80	2,037.58

\$ 3,200	Accumulations Annuity - Employee Government Total	2,195.28 192.37 493.34 686.71	3,488.56 305.69 603.59 914.28	5,052.02 443.57 750.00 1,193.57	6,976.37 611.32 900.00 1,511.32	9,305.48 815.41 900.00 1,715.41	12,139.20 1,063.72 1,365.83 2,731.66	15,586.86 1,333.39 1,733.39 3,466.78	19,781.45 1,733.39 1,733.39 3,466.78	\$ 3,200
\$ 3,800	Accumulations Annuity - Employee Government Total	2,652.84 232.46 581.82 814.28	4,210.99 369.00 716.71 1,085.71	6,106.71 535.11 822.03 1,357.14	8,413.14 737.22 900.00 1,637.22	11,219.26 983.11 983.11 1,966.22	14,633.35 1,282.28 1,282.28 2,564.56	18,787.11 1,646.26 1,646.26 3,292.52	23,840.78 2,089.10 2,089.10 4,178.20	\$ 3,800
\$ 4,600	Accumulations Annuity - Employee Government Total	3,262.92 285.92 699.79 965.71	5,174.23 453.40 860.88 1,314.23	7,499.63 657.17 1,066.35 1,692.86	10,328.82 905.08 1,066.35 1,971.43	13,770.97 1,206.71 1,206.71 2,413.42	17,958.88 1,573.68 1,573.68 3,147.36	23,064.11 2,020.16 2,020.16 4,040.32	29,253.23 2,563.37 2,563.37 5,126.74	\$ 4,600
\$ 5,600	Accumulations Annuity - Employee Government Total	4,025.53 352.74 847.25 1,200.00	6,378.29 558.31 1,041.09 1,600.00	9,240.78 809.74 1,190.26 2,000.00	12,723.43 1,114.92 1,285.08 2,400.00	16,960.61 1,486.21 1,486.21 2,972.42	22,115.79 1,937.94 1,937.94 3,875.88	28,387.87 2,487.55 2,487.55 4,975.10	36,018.79 3,156.22 3,156.22 6,312.44	\$ 5,600
\$ 6,500	Accumulations Annuity - Employee Government Total	4,711.87 412.89 979.97 1,392.86	7,461.94 653.87 1,203.27 1,857.14	10,807.82 947.06 1,374.37 2,321.43	14,878.58 1,303.77 1,481.94 2,785.71	19,831.29 1,737.76 1,737.76 3,475.52	25,857.02 2,265.77 2,265.77 4,531.54	33,188.25 2,908.19 2,908.19 5,816.38	42,107.80 3,689.78 3,689.78 7,379.56	\$ 6,500
\$ 7,500	Accumulations Annuity - Employee Government Total	5,474.47 479.71 1,127.43 1,607.14	8,665.99 759.37 1,383.48 2,142.85	12,548.97 1,099.63 1,578.94 2,678.57	17,273.18 1,513.60 1,700.68 3,214.28	23,020.93 2,017.26 2,017.26 4,034.52	30,013.93 2,630.03 2,630.03 5,260.06	38,522.00 3,375.57 3,375.57 6,751.14	48,873.36 4,282.63 4,282.63 8,565.26	\$ 7,500
\$ 8,500	Accumulations Annuity - Employee Government Total	6,237.08 546.54 1,274.89 1,821.43	9,870.05 884.88 1,553.69 2,428.57	14,290.12 1,252.20 1,753.51 3,035.71	19,667.79 1,723.43 1,915.42 3,642.85	26,210.56 2,296.75 2,296.75 4,593.50	34,170.85 2,994.29 2,994.29 5,988.58	43,855.76 3,842.95 3,842.95 7,685.90	55,638.92 4,875.46 4,875.46 9,760.96	\$ 8,500
\$10,000	Accumulations Annuity - Employee Government Total	7,380.98 646.77 1,496.09 2,142.86	11,676.13 1,023.14 1,834.00 2,857.14	16,901.84 1,481.06 2,050.37 3,571.43	23,259.70 2,038.18 2,247.53 4,285.71	30,995.02 2,716.00 2,716.00 5,432.00	40,105.22 3,500.68 3,500.68 7,001.36	51,955.39 4,584.02 4,584.02 9,068.04	65,787.25 5,758.74 5,758.74 11,529.48	\$10,000

It is realized that an employee does not receive a stated fixed salary during his entire service period, but the number and dates of promotions cannot be estimated in any particular case. However by substituting an average salary an approximate annuity may be estimated. For employees in the higher brackets it will be necessary to consider an average salary for the highest five consecutive years to determine an approximate annuity.

Exhibit "C"

For purposes of illustration, this table outlines the approximate annuities, on basis of fixed salary of \$2,000 and service which began July 1, 1930, payable to male annuitant and female survivor annuitant under the Joint and Survivorship options.

OPTION (a)

Age of annuitant at retirement	Years of service	Age of female survivor annuitant in relation to that of male annuitant					
		5 years younger		Same age		5 years older	
		Annuitant	Survivor	Annuitant	Survivor	Annuitant	Survivor
60.....	30	\$859	\$859	\$915	\$915	\$976	\$976
62.....	32	891	891	955	955	1,024	1,024
70.....	40	1,107	1,107	1,220	1,220	1,341	1,341

OPTION (b)

(Survivor annuitant receives 50 percent of annuitant's rate)

Age of annuitant at retirement	Years of service	Age of female survivor annuitant in relation to that of male annuitant					
		5 years younger		Same age		5 years older	
		Annuitant	Survivor	Annuitant	Survivor	Annuitant	Survivor
60.....	30	\$1,022	\$511	\$1,062	\$531	\$1,102	\$551
62.....	32	1,070	535	1,114	557	1,160	580
70.....	40	1,372	686	1,454	727	1,538	769

NOTE.—The amounts shown for the survivor are payable to the female survivor annuitant, if living, after the death of the male annuitant.

Voluntary Deposits

The Civil Service Retirement Act provides that an employee may make voluntary deposits to the Retirement Fund in multiples of \$25, up to 10 percent of the total basic salary payments received since August 1, 1920, which amount, together with interest thereon at 3 percent per annum compounded as of June 30 of each year, shall, at the date of his retirement, be available to purchase an additional annuity.

Below are tables and illustrations that will enable an employee to determine the approximate *additional annual* payment that he will receive on retirement for any deposit or series of deposits that he may wish to make.

Amount with interest at 3 percent of (a) a single deposit of \$1 and (b) an annual deposit of \$1 at the end of indicated number of years

Years	Single Deposit of \$1 (a)	Annual Deposit of \$1 (b)	Years	Single Deposit of \$1 (a)	Annual Deposit of \$1 (b)
1.....	\$1.03000	\$1.0300	21.....	\$1.86029	\$29.5368
2.....	1.06090	2.0909	22.....	1.91610	31.4529
3.....	1.09273	3.1836	23.....	1.97359	33.4265
4.....	1.12551	4.3091	24.....	2.03279	35.4593
5.....	1.15927	5.4684	25.....	2.09378	37.5530
6.....	1.19405	6.6625	26.....	2.15659	39.7096
7.....	1.22987	7.8923	27.....	2.22129	41.9309
8.....	1.26677	9.1591	28.....	2.28793	44.2189
9.....	1.30477	10.4639	29.....	2.35657	46.5754
10.....	1.34392	11.8078	30.....	(2.42726)	49.0027
11.....	1.38423	13.1920	31.....	2.50008	51.5028
12.....	1.42576	14.6178	32.....	2.57508	54.0778
13.....	1.46853	16.0863	33.....	2.65234	56.7302
14.....	1.51259	17.5989	34.....	2.73191	59.4621
15.....	1.55797	(19.1569)	35.....	2.81386	62.2759
16.....	1.60471	20.7616	36.....	2.89828	65.1742
17.....	1.65285	22.4144	37.....	2.98523	68.1594
18.....	1.70243	24.1169	38.....	3.07478	71.2342
19.....	1.75351	25.8704	39.....	3.16703	74.4013
20.....	1.80611	27.6765	40.....	3.26204	77.6633

Annuity (annual payment) that \$1 will purchase at indicated age of retirement

Age at retirement	Nonforfeiture		Forfeiture	
	Men	Women	Men	Women
	(c)	(d)	(e)	(f)
55.....	\$0.0690799	\$0.0644912	\$0.0776337	\$0.0709170
56.....	.0703631	.0655523	.0795798	.0724480
57.....	.0717206	.0666667	.0816593	.0740686
58.....	.0731529	.0678426	.0838715	.0757978
59.....	.0746603	.0690799	.0862366	.0776337
60.....	(.0762253)	.0703631	.0887469	.0795798
61.....	.0778816	.0717206	.0914328	.0816593
62.....	.0796495	.0731529	.0943040	(.0838715)
63.....	.0814730	.0746603	.0973710	.0862366
64.....	.0834028	.0762253	.1006543	.0887469
65.....	.0854628	.0778816	.1041667	.0914328
66.....	.0876271	.0796495	.1079331	.0943040
67.....	.0898715	.0814730	.1119570	.0973710
68.....	.0922679	.0834028	.1162926	.1006543
69.....	.0948497	.0854628	.1209336	.1041667
70.....	.0974849	.0876271	.1259287	.1079331

ILLUSTRATIONS

Example 1:

Assume that a male employee makes a single deposit of \$100 and retires 30 years later at age 60 and that he elects a nonforfeiture annuity at retirement. The value of \$100 at the end of 30 years is \$242.73 ($\100×2.42726 —see value in parentheses column (a)). This amount multiplied by the value opposite age 60 (see value in parentheses column (c)) gives \$18.50 ($\242.73×0.0762253), the additional annual amount that will be paid on account of the voluntary deposit.

A nonforfeiture annuity provides that if the annuitant dies before receiving in annuity payments the full amount of the principal (\$242.73 in the above example) the difference is returned to his estate. In the above example if death occurs at the end of ten years the amount that would be returned is \$57.73 [$\$242.73 - (\$18.50 \times 10)$] on account of the voluntary deposit.

Example 2:

Assume that a female employee makes a deposit of \$50 each year for 15 years and retires at age 62 and that she elects a forfeiture annuity. The value of such a series of deposits at the end of 15 years is \$957.85 ($\50×19.1569 —see value in parentheses column (b)). This amount multiplied by the value in parentheses in column (f) gives \$80.34 ($\957.85×0.0838715), the additional annual amount that will be paid on account of the voluntary deposit.

In the forfeiture annuity there is no return of any unexpended balance.

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